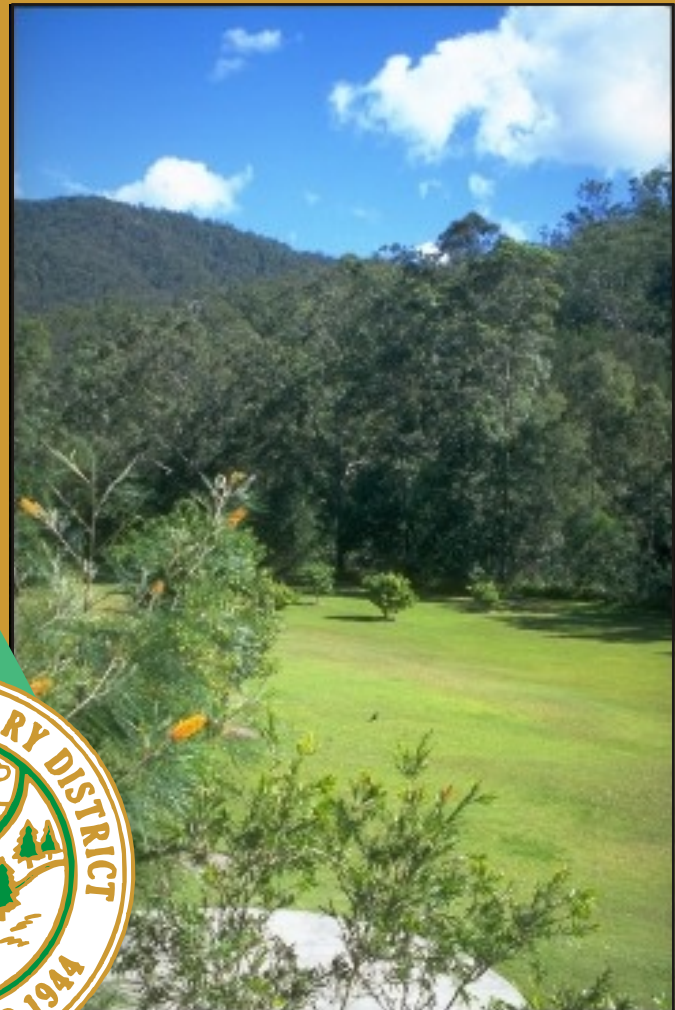


COSTA MESA SANITARY DISTRICT BUDGET



FISCAL YEAR 2002-2003

ADOPTED

Costa Mesa Sanitary District

Operating and Capital Budget Fiscal Year 2002-2003

BOARD OF DIRECTORS

**Arlene Schafer
President**

**Arthur Perry
Secretary/Director**

**Greg Woodside
Director**

**James Ferryman
Director**

**Dan Worthington
Director**

DISTRICT OFFICERS

**Robin Hamers
Manager/Engineer**

**Tom Fauth
Assistant Manager**

**Joan Revak
Clerk of the District**

**Alan Burns
General Counsel**

**Submitted by:
Marc Puckett
District Treasurer**

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TRANSMITTAL LETTER





Costa Mesa Sanitary District

JUNE 5, 2002

Phone

(714) 754-5043

Fax

(714) 432-1436

Mailing Address

P.O. Box 1200
Costa Mesa, CA
92628-1200

Street Address

77 Fair Drive
Costa Mesa, CA
92626-6520

COSTA MESA SANITARY DISTRICT BOARD OF DIRECTORS:

I am pleased to submit to you the adopted budget for Fiscal Year (FY) 2002-2003. This comprehensive document reflects our enthusiastic commitment to delivering essential sanitary solid and liquid waste services and outlines specific service programs and the financial plan designed to meet the service requirements of the District for the next twelve months.

The adopted FY 2002-03 operating and capital budget also serves as the basis for calculating the FY 2002-03 Solid and Liquid Waste Assessments. These assessments provide the necessary resources to the District to fund its spending plan for the ensuing fiscal year.

The budget preparation process serves as a tool for both the Board and staff to focus on the direction of the District over the next twelve months and beyond. The budget process assists the Board and staff in clearly defining the programs the District will be providing over the next year and quantifies the financial resource requirements to accomplish these programs while forecasting user fee impacts.

The adopted budget was developed concurrently with the preparation of the capital improvement project plans. The combination of preparing the budget and capital improvement program together produces a uniform map depicting the District's direction over the near term future. In addition, this combined process streamlines the overall budget process preparation time.

The following detailed information is included within the adopted operating and capital improvement budget document:

- Financial summary information for the FY 2002-03 CMSD adopted operating and capital improvement budget.
- Program and Line item budget detail which supports the \$1,118,133.00 District/City contract.
- Rate calculations for the fiscal year 2002-03 solid and liquid waste assessments based upon the relevant CPI data utilized for rate development purposes.

Board of Directors

James Ferryman
Arthur Perry
Arlene Schafer
Greg Woodside
Dan Worthington

- Schedule of Debt Service payments pursuant to the standardized container lease financing. The lease agreement calls for semi-annual payments to fund debt service payments on the purchase of the standardized trash containers. Pursuant to the Board's commitment to its customers, the debt service payments on this lease were not factored in to the rate development calculation for solid waste (trash) assessments in FY 2002-2003.

In addition to the information referenced above, appropriation detail for all operating line items within the budget has been included. Further, the authorizing resolutions have been included for reference purposes together with a summary of key budgetary terms to better assist the reader with understanding the budget document.

Significant budgetary changes are summarized and discussed below:

- Sanitary sewer capital improvement projects have been funded in the amount of \$999,600. This funding is key to maintaining the District's stated commitment to repairing and refurbishing its infrastructure to accommodate anticipated future demands upon the system.
- An anticipated decrease in interest earnings as a result of the decreased cash flows in the Solid Waste Fund based upon the current year's experience for separate funds due to segregation of solid and liquid waste program assets into separate funds during the past year.
- Decreased interest earnings as a result of the economic downturn. Interest rates continue to hover at 40-year lows. Interest rates are not expected to rise in the near term future as a result of the political and economic climate in other parts of the world.
- Continued allocation of all Property Tax Revenues to the Solid Waste Fund. This practice was recommended and approved by the Board to assist the Solid Waste (Trash Fund) in achieving a "break-even" point.
- Debt Service payment in the amount of \$281,182 on the annual lease installment payments paid semi-annually at 4.92% for the purchase of standardized trash containers. As referenced during the budget deliberations and herein, the development of the budget only includes funding the payment of the debt. The required resources to fund this commitment were appropriated from fund balance and were not provided from trash assessments.
- Includes continued appropriation of approximately \$11,250.00 to fund annual LAFCO fees. Cost to participating agencies has not yet been disseminated by LAFCO. As a result of the dynamics of this joint powers agency, the annual allocation of the operating costs of LAFCO were not available as of the time the budget document was prepared.

- Inclusion of election expense of \$20,000. Elections are held in alternate years and the postage costs for legal notices are budgeted within the City contract. These costs include the election costs as billed to the District by the Orange County Clerk's Office.
- Increased SDRMA General Liability Expense based upon expected 9.7% increase. The Board representative to the SDRMA will continue to monitor the level of reserves maintained by SDRMA to ensure that rates of the insurance pool are maintained at reasonable levels so as to mitigate future budgetary impacts upon the district.
- Revised reserve amount allocating funds in excess of minimum operating reserves to capital replacement reserves. Operating reserves were projected to be maintained at no less than one million dollars (\$1,000,000) based upon the Board's adopted financial policies regarding maintenance of reserves for unforeseen emergencies.

Currently, there is no replacement reserve established and set aside to fund future replacement of the standardized trash containers. It is believed that if funding is set aside and reserved for a container management program, a separate reserve for replacement of the containers may not be necessary.

Prior to funding a reserve for the replacement of standardized trash containers, it is recommended that a complete analysis of available financing alternatives be considered. Funding a reserve currently would not take into consideration the budgetary effect of financing options that may be available when replacement of the containers on large scale may be necessary at or near the end of the containers anticipated useful lives. It is currently estimated that the majority of the containers will have a useful life of 15-20 years. This time horizon may allow for the accumulation of sufficient funds for the replacement needs if excess container management program funds are set-aside and reserved in a replacement reserve. Further, a graduated replacement of the containers on an "as-needed" basis may negate the need for the wholesale replacement of the containers in the future.

- Maximum rate increases in CMD and CR&R charges are limited to 3.0% based upon the relevant CPI data. The contract costs for CMD and CR&R are based upon year-over-year CPI comparisons for the trailing twelve month period ending each May.
- The adopted operating and capital budget reflects an included increase of 5.0% in sanitary rates for normal operating cost increases, additional CIP funding and an inflationary adjustment factor. The user rate assessments were recalculated to reflect the 5.0% increase.
- An assumed 6% increase in property tax revenues due to corresponding increase in property assessments and estimated supplemental assessments throughout the fiscal year was included within the revenue estimates.

- An inflationary factor of 2.5% was applied to other miscellaneous line items in the operating budget. This factor is consistent with long term inflation rates. This forecasted factor does not attempt to anticipate the rapidity of an economic recovery as it may affect these budgetary items since any potential impact of unfavorable variances within these line-items upon the overall budget is not considered to be material.

In addition to the highlights noted above, staff has also modified the adopted budget based upon the Board's direction at the May 14 Study Session. These modifications included shifting the burden for administrative overhead charges from a "50/50" split between the Solid and Liquid funds to a "25/75" split with the 25% split of the administrative charges being absorbed within the Solid Waste fund.

The adopted rate calculation for the trash charges incorporates the changes noted above. The adopted rate calculation does not include the transfer of additional reserves to the Solid Waste Fund from the Sewer Fund as a reallocation of the bankruptcy settlement proceeds. The effect of this reallocation on the rate structure is discussed in the long-range solid waste strategic plan report.

The Budget Process

The District's budgeting practices uses a goals-driven approach that spans the planning, development, adoption and execution phases of the budget. These practices encourage developing organizational goals, and establishing policies and plans to achieve those goals and policies. In preparing this budget document, the recommended budget practices for improved state and local government budgeting prepared by the National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officer's Association (GFOA) have been used to develop and formalize this budget process.

The District's budget process has both financial and technical dimensions. It consists of the following broad principles:

1. Establish broad goals to guide decision making.
2. Develop approaches to achieve goals.
3. Develop a budget consistent with approaches to achieve goals.
4. Evaluate performance and make adjustments.

These principles are performed concurrently, in an iterative process, with information obtained from one activity or function aiding in the achievement of another.

Budgetary Accounting/Authority

The budget process for all budgetary funds is based upon accounting for certain transactions on a budgetary basis, which is the modified accrual basis including encumbrances. Encumbrances may be liquidated any time after year-end without further budgetary authorization. The primary differences between the budgetary basis and Generally Accepted Accounting Principles (GAAP) basis are as follows:

1. Certain accruals (primarily accrued vacation and sick leave pay not currently applicable to the District) are excluded from the budgetary basis because such amounts are budgeted on a cash basis.
2. Year-end encumbrances are recognized as expenditures on the budgetary basis, while encumbered amounts are not recognized as expenditures on the GAAP basis until incurred.
3. Certain budgeted debt service expenditures in special revenue funds are recorded as operating transfers on a GAAP basis.
4. Overhead reimbursement on a budgetary basis is reflected as a reimbursement of expenditures on a GAAP basis.

Acknowledgement

The preparation of the annual operating and capital improvement budget for the District takes a great deal of staff time and efforts, which has to be completed within a compressed time-frame. This effort has been accomplished through the dedicated efforts of the Finance Department staff, District staff and the Central Services staff. Additionally, I would like to thank the District Board for their continued support and dedication to ensuring that the Sanitary District remains financially stable and that staff maintains its ability to react quickly to changing service demands due to the continued emphasis on the maintaining and improving the fiscal health of the District.



Marc R. Puckett
Director of Finance/
District Treasurer

FINANCIAL SUMMARIES



RESOLUTION NO. 2002-659

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COSTA MESA SANITARY DISTRICT, ADOPTING A
BUDGET FOR THE FISCAL YEAR 2002-03.**

THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT DOES
HEREBY RESOLVE AS FOLLOWS:

THAT, WHEREAS, the Proposed Budget for the 2002-03 fiscal year has been prepared
by order of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The Annual Budget for the Costa Mesa Sanitary District for the fiscal year
beginning July 1, 2002 and ending June 30, 2003, is hereby adopted as set forth in the Proposed
2002-03 Budget.


PASSED AND ADOPTED this 13th day of June 2002, by the following roll call vote.

AYES: BOARD MEMBERS: Arlene Schafer, Greg Woodside, Art Perry,
Jim Ferryman, Dan Worthington

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:



Secretary, Costa Mesa Sanitary District
Board of Directors

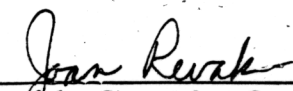


President, Costa Mesa Sanitary District
Board of Directors

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
COSTA MESA SANITARY DISTRICT)

I, JOAN REVAK, Clerk of the District, hereby certify that the above and foregoing
Resolution No. 2002-659 was duly and regularly passed and adopted by the said Board of
Directors at a regular meeting thereof held on the 13th day of June 2002.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Costa
Mesa Sanitary District this 13th day of June 2002.



Clerk of the Costa Mesa Sanitary District

RESOLUTION NO. 2002-661

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, DETERMINING THAT A MAJORITY PROTEST DID NOT OCCUR WITH RESPECT TO THE PROPOSED CHARGES FOR TRASH COLLECTION ADOPTING THE REPORT ON FILE WITH THE CLERK OF THE DISTRICT AND DIRECTING THE CLERK TO FILE THE REPORT WITH THE AUDITOR.

RECITALS

WHEREAS, an ordinance providing for the trash collection charges pursuant to Section 5473 of the Health and Safety Code was passed and adopted on the 5th day of June 1968, at a regular meeting of said Board; and

WHEREAS, the Board has determined that since an increase in trash rates is proposed, that Proposition 218 may apply to the imposition of these charges and therefore has determined that:

1. Revenues derived from the fee or charge do not exceed the funds required to provide the trash collection service. The charges are calculated by adding together the cost of components necessary to provide the service and then apportioning this to those receiving trash collection service. No components other than those directly related to providing service are used to establish rates. The components include trash collection, recycling, education and special programs, and administration.
2. Revenue from the fee or charge is not used for any purpose other than for which the fee or charge is imposed. The revenue is used only for the components of providing trash collection service as outlined in paragraph 1 above and as identified in the District's yearly budget.
3. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel. The amount of the yearly charge is determined by dividing the cost of all the components of providing the service by the number of parcels receiving service, as the vast majority of parcels produce an approximately equal amount of solid waste and all parcels enjoy the benefits of the public education and have an opportunity to participate in the special programs.

4. The fee or charge is not imposed for service unless the service is actually used by, or immediately available to, the owner of the property in question. Properties not receiving trash collection service or that receive service from other entities providing trash collection, are not charged.
5. No fee or charge is being imposed for general governmental services such as police, fire, ambulance, or libraries, but is only imposed for trash collection services. The District provides only trash collection and sewer service and charges collected for trash collection are used only for that purpose.

WHEREAS, a written report has been prepared and filed with the Clerk which contains a description of each parcel of real property receiving trash collection services and the amount of the charge for each parcel for said year, computed in conformity with the ordinance in accordance with Health and Safety Code Section 5473; and

WHEREAS, a public hearing was set for the 8th day of August 2002 to be heard in the Council Chambers of the Costa Mesa City Hall at 77 Fair Drive, Costa Mesa, California, at the hour of 6:00 p.m.; and

WHEREAS, the Clerk has heretofore caused notice of said hearing to be published in a newspaper of general circulation within the District, in accordance with the law;

WHEREAS, mailed notice has also been given to each owner of record for which a charge is proposed; and,

WHEREAS, said public hearing has been conducted; and

WHEREAS, a majority protest has not occurred; and

WHEREAS, the Board has heard any objections or protests to said report and desires to overrule said objections, if any be made; and

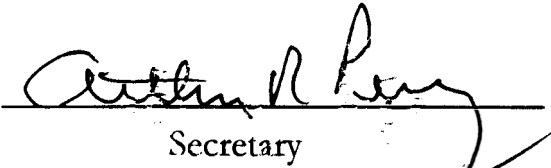
WHEREAS, the Board does desire to adopt the report without modification;

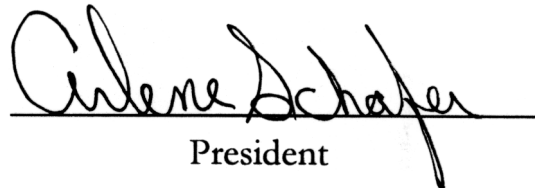
NOW, THEREFORE, BE IT RESOLVED that any protests are hereby overruled.

BE IT FURTHER RESOLVED that no modifications are necessary in said report and that the report is adopted as presented and the charges set forth therein imposed.

BE IT FINALLY RESOLVED that the District Clerk is instructed to file a copy of this report, properly endorsed over her signature to show that it has been finally adopted, and this Resolution, with the County Auditor.

PASSED AND ADOPTED by the Board of Directors of the Costa Mesa Sanitary District at a regular meeting thereof held on the 8th day of August 2002.

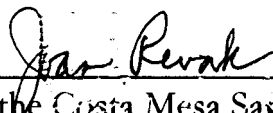

Secretary


President

STATE OF CALIFORNIA)
COUNTY OF ORANGE)SS
CITY OF COSTA MESA)

I, Joan Revak, Clerk of the Costa Mesa Sanitary District, hereby certify that the above and foregoing Resolution No. 2002-661, was duly and regularly passed and adopted by said Board of Directors at a regular meeting thereof held on the 8th day of August 2002.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Costa Mesa Sanitary District, this 8th day of August 2002.



Clerk of the Costa Mesa Sanitary District

RESOLUTION NO. 2002-662

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, DETERMINING THAT A MAJORITY PROTEST DID NOT OCCUR WITH RESPECT TO THE PROPOSED USER FEE FOR LIQUID WASTE DISPOSAL AND ADOPTING THE REPORT ON FILE WITH THE CLERK OF THE DISTRICT AND DIRECTING THE CLERK TO FILE THE REPORT WITH THE AUDITOR.

RECITALS

WHEREAS, an ordinance providing for the user fee for liquid waste disposal pursuant to Section 5473 of the Health and Safety Code was passed and adopted on the 9th day of June 1983, at a regular meeting of said Board, in consolidation with a public hearing conducted by Sanitation District No. 6; and

WHEREAS, the Board has determined that since an increase in sewer rates is proposed, that Proposition 218 may apply to the procedures for adopting these charges and has, therefore, determined that the substantive provisions of Proposition 218 may apply to said charges and the Board has determined that the following criteria have been met:

1. Revenues derived from the annual sewer fee charges do not exceed the funds required to provide the sewer service. The charges are calculated by adding together the costs of all the components of providing the service and then apportioning the required funds to each of the properties connected to the system. The components of providing the service include the yearly capital replacement projects, the maintenance and operation costs of maintaining the system and administration costs.
2. Revenue from the fee or charge is not used for any purpose other than for which the fee or charge is imposed. No funds collected from the charges are used for expansion or augmentation to the sewer system, only the purposes as designated in the applicable statutes. Similarly, no funds derived from the charges are used for solid waste collection, recycling, or administration thereof.

3. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel. Each parcel connected to the system falls into a property category type, which has a related estimated maximum sewer flow. The maximum estimated sewer flow is based on actual flow metering tests along with flow rates calculated and established by other sewer agencies.

The total estimated maximum sewer flows and acres of property developed are used to determine the funding contribution from each property category type. Each individual parcel, based on the actual number of residential units or commercial/industrial/other square footage, is assigned its proportional share of the required funds of each property category type. Therefore, each property contributes its proportional share.

4. The fee or charge is not imposed for service unless the service is actually used by, or immediately available to, the owner of the property in question. Properties are only charged if they are physically connected to the sewer system. Vacant land or properties with storage or other buildings not receiving sewer service are not charged.
5. No fee or charge is imposed for general governmental services such as police, fire, ambulance, or libraries, but is only imposed for sewer services. The District provides only trash collection and sewer service and all fees collected as sewer charges are used only for related expenses.

WHEREAS, a written report has been prepared and filed with the Clerk which contains a description of each parcel of real property receiving liquid waste disposal services and the amount of the charge for each parcel for said year, computed in conformity with the ordinance in accordance with Health and Safety Code Section 5473; and

WHEREAS, a public hearing was set for the 8th day of August 2002 to be heard in the Council Chambers of the Costa Mesa City Hall at 77 Fair Drive, Costa Mesa, California, at the hour of 6:00 p.m.; and

WHEREAS, the Clerk has heretofore caused notice of said hearing to be published in a newspaper of general circulation within the District, in accordance with the law;

WHEREAS, mailed notice has also been given to each owner of record for which a charge is proposed; and,

WHEREAS, said public hearing has been conducted; and

WHEREAS, a majority protest has not occurred; and

WHEREAS, the Board has heard any objections or protests to said report and desires to overrule said objections, if any be made; and

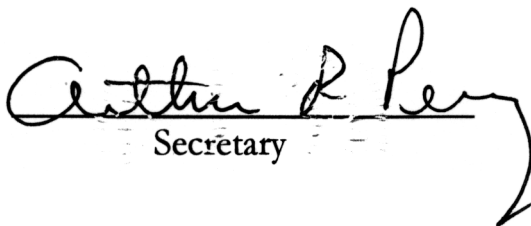
WHEREAS, the Board does desire to adopt the report without modification;

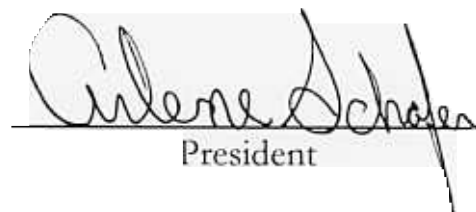
NOW, THEREFORE, BE IT RESOLVED that any protests are hereby overruled.

BE IT FURTHER RESOLVED that no modifications are necessary in said report and that the report is adopted as presented and the charges set forth therein imposed.

BE IT FINALLY RESOLVED that the District Clerk is instructed to file a copy of this report, properly endorsed over her signature to show that it has been finally adopted, and this Resolution, with the County Auditor.

PASSED AND ADOPTED by the Board of Directors of the Costa Mesa Sanitary District at a regular meeting thereof held on the 8th day of August 2002.


Secretary


President

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF COSTA MESA

I, Joan Revak, Clerk of the Costa Mesa Sanitary District, hereby certify that the above and foregoing Resolution No. 2002-662, was duly and regularly passed and adopted by said Board of Directors at a regular meeting thereof held on the 8th day of August 2002.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Costa Mesa Sanitary District, this 8th day of August 2002.



Clerk of the Costa Mesa Sanitary District

**COSTA MESA SANITARY DISTRICT
SOLID AND LIQUID FUNDS (COMBINED)
ADOPTED BUDGET
2002-2003 FISCAL YEAR**

	FUND 594 SOLID	FUND 595 LIQUID	COMBINED TOTAL
REVENUES			
Secured Taxes	90,000.00	0.00	90,000.00
Unsecured Taxes	6,800.00	0.00	6,800.00
Other Taxes	4,450.00	0.00	4,450.00
Delinquent Tax-Penalties	36,900.00	0.00	36,900.00
Permits	0.00	3,500.00	3,500.00
Excessive Effluent Discharge	0.00	2,000.00	2,000.00
Investment Earnings	82,000.00	250,000.00	332,000.00
Permits & Inspection Fees	0.00	12,000.00	12,000.00
O.C.S.D. fees-CMSD share	0.00	11,000.00	11,000.00
Other State Grants	5,000.00	0.00	5,000.00
Sale of Maps and Publications	0.00	100.00	100.00
Other Charges for Services	200.00	100.00	300.00
Special Assessments	1,000.00	1,000.00	2,000.00
Trash Charges	4,080,475.00	0.00	4,080,475.00
Sewer Charges	0.00	1,577,882.00	1,577,882.00
Contributions	5,000.00	0.00	5,000.00
Annexation Fees	500.00	0.00	500.00
Other Reimbursement	2,000.00	0.00	2,000.00
TOTAL REVENUES	4,314,325.00	1,857,582.00	6,171,907.00
OPERATING EXPENSES			
Payroll Related Expenses	945.00	2,805.00	3,750.00
Travel / Meals / Lodging / Registration / Mileage	3,900.00	11,700.00	15,600.00
Dues - Professional organizations	8,250.00	16,150.00	24,400.00
Supplies / Publications / Subscriptions / Promotional items	2,500.00	20,775.00	23,275.00
Legal Notices(Election Expense)	5,000.00	15,000.00	20,000.00
Public Education / Information / Community Info	3,900.00	11,700.00	15,600.00
Board Members Wages (meeting attendance)	11,475.00	34,425.00	45,900.00
Repair & Maintenance	0.00	39,796.00	39,796.00
Strategic Plan	1,290.00	5,360.00	6,650.00
Professional Services	5,125.00	15,375.00	20,500.00
Attorney	12,815.00	38,435.00	51,250.00
District Engineer- Retainer	0.00	0.00	0.00
Engineering Services	0.00	137,760.00	137,760.00
Auditing Services	1,180.00	3,540.00	4,720.00
City Contract-Solid	218,150.00	0.00	218,150.00
City Contract-Liquid	0.00	899,983.00	899,983.00
Trash Hauler	2,128,703.00	0.00	2,128,703.00
Contract Code Enforcement	35,265.00	9,375.00	44,640.00
Recycling Contract	1,773,997.00	0.00	1,773,997.00
Manager	10,250.00	30,750.00	41,000.00
Transcription Services	2,255.00	6,765.00	9,020.00
General Liability- Insurance	10,250.00	30,750.00	41,000.00
Sharps Program	13,000.00	0.00	13,000.00
Household Hazardous Waste Program	21,525.00	0.00	21,525.00
Telephone Book Recycling Program	18,000.00	0.00	18,000.00
Large Item Pick-Up	9,500.00	0.00	9,500.00
Beverage Container Purchase Program	0.00	0.00	0.00
Non-operating Expense - Other	2,050.00	1,025.00	3,075.00
Capital Outlay	15,000.00	0.00	15,000.00
Debt Service- Principal Payment	179,376.00	0.00	179,376.00
Debt Service- Interest Payment	101,806.00	0.00	101,806.00
TOTAL OPERATING EXPENSES	4,595,507.00	1,331,469.00	5,926,976.00

**COSTA MESA SANITARY DISTRICT
SOLID AND LIQUID FUNDS (COMBINED)
ADOPTED BUDGET
2002-2003 FISCAL YEAR**

FUND 594 SOLID	FUND 595 LIQUID	COMBINED TOTAL
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CAPITAL PROJECTS

PROPOSED 02-03

149 Sinking Fund (CRR)	0.00	125,000.00	125,000.00
159 Small Televising (CRR)	0.00	18,000.00	18,000.00
164 Misc Sewer Unknown (CRR)	0.00	90,000.00	90,000.00
166 Manhole and Pump Station Coating/Misc Work (CRR)	0.00	200,000.00	200,000.00
168 Tustin Pump Station Remodel (Mesa Drive/Irvine) (CRR)	0.00	540,000.00	540,000.00
170 Emergency Response Plan for Pumping Stations (CRR)	0.00	26,600.00	26,600.00
TOTAL PROPOSED CAPITAL PROJECTS	0.00	999,600.00	999,600.00

TOTAL EXPENSES	4,595,507.00	2,331,069.00	6,926,576.00
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EXCESS (DEFICIENCY OF REVENUES OVER REVENUES OVER EXPENDITURES)	(281,182.00)	(473,487.00)	(754,669.00)
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FUND EQUITY

		Projected June 30, 2003
Solid (Trash) Reserve	(281,182.00)	658,499.00
Solid (Trash) Cap. Rep. Reserve		1,147,826.00
Liquid (Sewer) Reserve		509,128.00
Facility Replacement Reserve		410,000.00
Sewer Construction Reserve(Closeout-Sewer Constr Fd)		130,012.00
Sinking Fund/Sewer Rehabilitation And Replacement Reserve		1,252,772.00
Capital Replacement Reserve		8,971,049.00
Total Fund Equity		13,079,286.00

CITY OF COSTA MESA, CALIFORNIA

MAJOR PROGRAM CATEGORY	: Community Health and Environment
PROGRAM	: Sanitation
SUB-PROGRAM	: Refuse Management
ACTIVITY	: Refuse Management, Program #20210

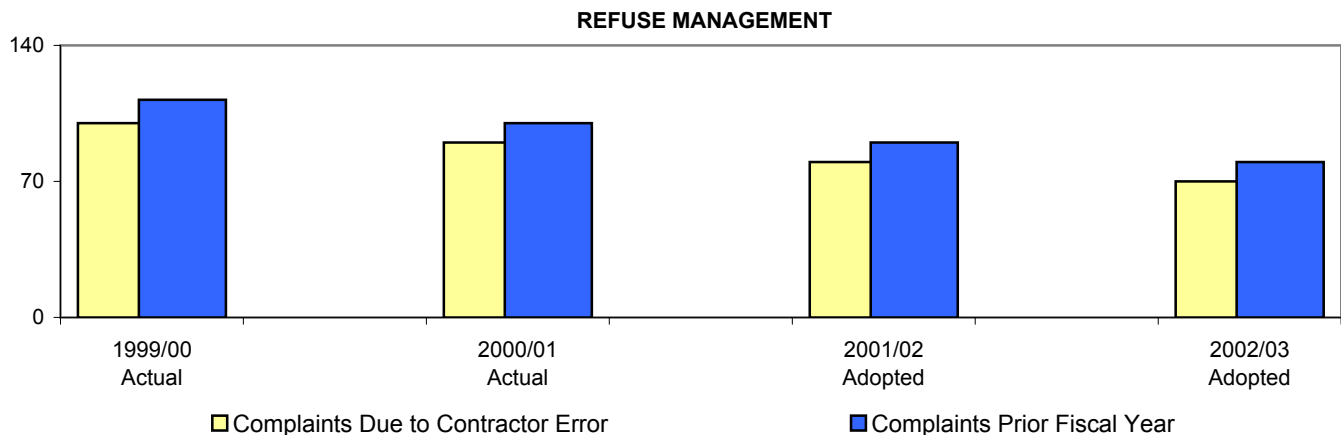
DESCRIPTION:

This program is responsible for the management of the refuse collection and recycling contracts between the Costa Mesa Sanitary District and private contractors. City staff manages the contracts and answers all question regarding refuse collection, residential recycling, and special programs, e.g. large item pickup program, telephone book recycling, and Christmas tree recycling programs.

OBJECTIVES:

1. To provide refuse collection to all residential property once each week with a minimum of complaints due to contractor error.
2. To provide a recycling program in which 50 percent of the trash collected is recycled.
3. To provide to the community special programs for education and the reduction of waste.

PERFORMANCE INDICATORS	1999/00 Actual	2000/01 Actual	2001/02 Adopted	2002/03 Adopted
1. Complaints Due to Contractor Error	100	90	80	70
Complaints Prior Fiscal Year	112	100	90	80
Percent Change	-11%	-10%	-11%	-12.5%
2. Diversion Percentage	50%	50%	50%	50%
3. Provide Educational Programs	10	10	10	10



CITY OF COSTA MESA, CALIFORNIA

BUDGET HIGHLIGHTS / PROGRAM 20210 (REFUSE MANAGEMENT):

This service is fully funded by Costa Mesa Sanitary District trash assessments and reflects services provided to the District on a contract basis.

FULL-TIME EQUIVALENT STAFFING:	1.5	1.5	1.5	2.1
EXPENDITURES BY PROGRAM:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
SALARIES & BENEFITS	\$ 71,924	\$ 89,252	\$ 123,500	\$ 113,586
MAINTENANCE & OPERATIONS				
Materials & Supplies	1,702	1,762	42,300	16,375
Utilities	-	-	30,100	14,174
Communication & Transportation	8,293	4,887	13,710	8,925
Repairs & Maintenance	18	127	400	657
Professional Services	8,907	8,736	1,500	1,520
Allocated & Miscellaneous	2,700	1,289	48,280	50,547
Insurance & Other Costs	180	210	6,450	4,269
Other Financing Uses	-	-	-	-
TOTAL M&O EXPENDITURES	21,800	17,011	142,740	96,467
FIXED ASSETS	-	-	11,400	8,098
SUB-TOTAL	93,724	106,263	277,640	218,151
CAPITAL IMPROVEMENTS	-	-	-	-
TOTAL EXPENDITURES	\$ 93,724	\$ 106,263	\$ 277,640	\$ 218,151
EXPENDITURES BY ORGANIZATION:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
Public Services Administration - 19100	\$ 2,880	\$ 6,368	\$ 5,410	\$ 5,766
Sanitation - 19600	90,844	99,895	272,230	212,385
TOTAL EXPENDITURES	\$ 93,724	\$ 106,263	\$ 277,640	\$ 218,151
RESOURCES:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
General Fund - 101	\$ 93,724	\$ 106,263	\$ 277,640	\$ 218,151
TOTAL RESOURCES	\$ 93,724	\$ 106,263	\$ 277,640	\$ 218,151

CITY OF COSTA MESA, CALIFORNIA

MAJOR PROGRAM CATEGORY	:	Community Health and Environment
PROGRAM	:	Sanitation
SUB-PROGRAM	:	Sewers
ACTIVITY	:	Sewers, Program #20220

DESCRIPTION:

This program is responsible for maintaining all sewer lines and 20 pump stations with 24-hour service.

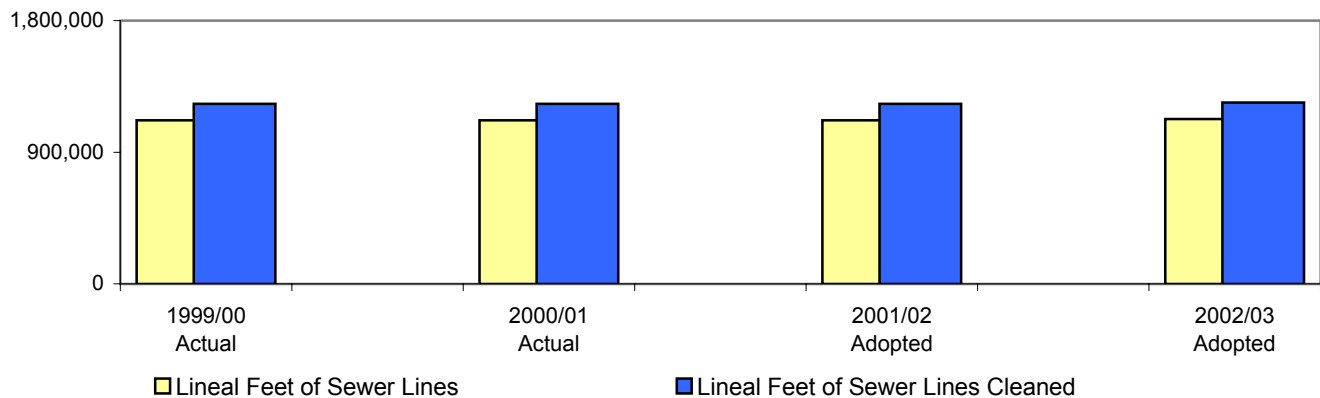
OBJECTIVES:

1. To clean all sewage collection lines at least once during Fiscal Year 2001-2002.
2. To minimize customer inconvenience by clearing all stoppages within two (2) hours of notification.

PERFORMANCE INDICATORS	1999/00 Actual	2000/01 Actual	2001/02 Adopted	2002/03 Adopted
1. Lineal Feet of Sewer Lines	1,118,660	1,118,660	1,118,660	1,126,839
Lineal Feet of Sewer Lines Cleaned	1,230,526	1,230,526	1,230,526	1,239,523
Effectiveness	110%	110%	110%	110%
2. Sewage Stoppage Notifications	6	8	8	7
Sewer Stoppage Cleared within 2 Hours	6	8	8	7
Effectiveness	100%	100%	100%	100%

* Gravity Lines Excluding 4" and 6"

SEWERS



CITY OF COSTA MESA, CALIFORNIA

BUDGET HIGHLIGHTS / PROGRAM 20220 (SEWERS):

This service is fully funded by Costa Mesa Sanitary District sewer assessments and reflects services provided to the District on a contract basis.

FULL-TIME EQUIVALENT STAFFING: 6.4 7.0 6.9 7.3

EXPENDITURES BY PROGRAM:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
SALARIES & BENEFITS	\$ 383,041	\$ 423,615	\$ 452,280	\$ 491,234
MAINTENANCE & OPERATIONS				
Materials & Supplies	42,692	49,547	42,310	63,773
Utilities	62,417	69,785	30,100	55,204
Communication & Transportation	14,362	17,285	13,700	34,761
Repairs & Maintenance	1,399	6,415	400	2,560
Professional Services	9,268	6,179	1,500	5,920
Allocated & Miscellaneous	83,850	121,653	188,030	196,867
Insurance & Other Costs	2,842	5,274	29,460	19,658
Other Financing Uses	-	-	-	-
TOTAL M&O EXPENDITURES	216,830	276,138	305,500	378,743
FIXED ASSETS	-	1,212	40,940	31,539
SUB-TOTAL	599,871	700,965	798,720	901,516
CAPITAL IMPROVEMENTS	-	-	-	-
TOTAL EXPENDITURES	\$ 599,871	\$ 700,965	\$ 798,720	\$ 901,516
EXPENDITURES BY ORGANIZATION:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
Public Services Administration - 19100	\$ 748	\$ 2,875	\$ 5,410	\$ 5,766
Engineering - 19200	41,272	26,333	31,340	32,205
Maintenance Services -19500	-	31,373	30,200	36,865
Sanitation - 19600	557,851	640,384	731,770	826,680
TOTAL EXPENDITURES	\$ 599,871	\$ 700,965	\$ 798,720	\$ 901,516
RESOURCES:	1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
General Fund - 101	\$ 599,871	\$ 700,965	\$ 798,720	\$ 901,516
TOTAL RESOURCES	\$ 599,871	\$ 700,965	\$ 798,720	\$ 901,516

CITY OF COSTA MESA, CALIFORNIA

MAJOR PROGRAM CATEGORY	:	Community Health and Environment			
PROGRAM	:	Sanitation			
SUB-PROGRAM	:	Recycling			
ACTIVITY	:	Recycling, Program #20230			
DESCRIPTION: This program is responsible for the City's implementation and monitoring of the Integrated Waste Management Act of 1989 (AB 939). This program is funded by Source Reduction and Recycling fee charged to all trash haulers working in the City.					
OBJECTIVES: 1. To ensure goals of AB 939 are met by the City. 2. To monitor solid waste diversion rates for the City. 3. To implement used oil and household hazardous waste recycling programs funded by grants from the State of California.					
PERFORMANCE INDICATORS	1999/00 Actual	2000/01 Actual	2001/02 Adopted	2002/03 Adopted	
AB 939 Diversion Requirement Goals	25%	50%	50%	50%	
City Diversion Rate	48%	50%	50%	50%	
Effectiveness	192%	100%	100%	100%	

CITY OF COSTA MESA, CALIFORNIA

BUDGET HIGHLIGHTS / PROGRAM 20230 (RECYCLING):

Decrease in Salaries and Benefits is due to reallocation of staff to other program areas. Professional Services decreased due to reduction in consultant costs for AB 939 requirements.

FULL-TIME EQUIVALENT STAFFING:		0.5	0.4	0.4	0.4
EXPENDITURES BY PROGRAM:		1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
SALARIES & BENEFITS	\$	45,928	\$ 34,157	\$ 42,920	\$ 37,179
MAINTENANCE & OPERATIONS					
Materials & Supplies		14,359	231	700	700
Utilities		-	-	-	350
Communication & Transportation		751	551	750	325
Repairs & Maintenance		96	100	100	-
Professional Services		61,170	74,412	75,250	50,250
Allocated & Miscellaneous		708	1,552	1,160	1,161
Insurance & Other Costs		4,280	2,082	2,550	4,180
Other Financing Uses		-	-	-	-
TOTAL M&O EXPENDITURES		81,364	78,928	80,510	56,966
FIXED ASSETS		-	-	-	-
SUB-TOTAL		127,292	113,085	123,430	94,145
CAPITAL IMPROVEMENTS		-	-	-	-
TOTAL EXPENDITURES	\$	127,292	\$ 113,085	\$ 123,430	\$ 94,145
EXPENDITURES BY ORGANIZATION:		1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
Public Services Administration - 19100	\$	124,208	\$ 113,085	\$ 123,430	\$ 94,145
Maintenance Services - 19500		3,084	-	-	-
TOTAL EXPENDITURES	\$	127,292	\$ 113,085	\$ 123,430	\$ 94,145
RESOURCES:		1999-00 ACTUAL	2000-01 ACTUAL	2001-02 ADOPTED	2002-03 ADOPTED
General Fund - 101	\$	127,292	\$ 113,085	\$ 123,430	\$ 94,145
TOTAL RESOURCES	\$	127,292	\$ 113,085	\$ 123,430	\$ 94,145

**COSTA MESA SANITARY DISTRICT
RATE CALCULATION
SOLID WASTE COLLECTION
FISCAL YEAR COMPARISON**

	ADOPTED BUDGET FY 01/02	9 MOS ACTUAL FY 01/02	ADOPTED BUDGET FY 02/03	
REVENUES:				
Solid Waste Charge	3,874,265	2,582,755	4,080,475	
Taxes	128,950	86,824	138,150	
Interest Earnings	135,000	58,453	82,000	
Other Revenue	28,950	5,810	13,700	
Loan Proceeds		1,510,864		
TOTAL REVENUES	4,167,165	4,244,707	4,314,325	
EXPENDITURES:				
Operating Costs - Sanitation Dept.	184,637	89,916	218,150	
Trash Hauler Contract	2,070,982	1,553,098	2,128,703	
Contract Code Enforcement	30,000	20,563	35,265	
Recycling Contract	1,706,130	1,141,296	1,773,997	
Sharps Program	9,000	10,763	13,000	
Household Hazardous Waste Program	21,000	19,806	21,525	
Telephone Book Recycling Program	15,000	9,553	18,000	
Beverage Container Purchase Program	0	0	0	
Large Item Pick-Up	8,000	9,114	9,500	
Increase For Facility Acquisition			15,000	
Direct Costs Subtotal	4,044,749	2,854,110	4,233,140	
District Management	20,000	12,247	10,250	
Board Members Meetings	17,500	13,005	11,475	
Insurance	18,841	18,791	10,250	
Memberships	7,875	7,594	8,250	
Miscellaneous expense	2,750	1,224	2,500	
Professional Svcs-Attny	25,000	11,117	12,815	
Professional Svcs	10,000	5,786	5,125	
Auditing Svcs	2,300	1,500	1,180	
Travel & Meetings	5,500	6,266	3,900	
Public Education	4,750	2,205	3,900	
Election Expenses	0	0	5,000	
Transcription Services	4,400	2,044	2,255	
Strategic Plan	2,500	269	1,290	
Other Operating Costs	0	0	0	
Non-Operating Exp - Other	1,000	1,575,825	2,050	
Payroll Related Expenses	0	1,456	945	
Debt Service- Principal Payment			179,376	
Debt Service - Interest Payment	284,251	140,591	101,806	
Indirect Costs Subtotal	406,667	1,799,921	362,367	
TOTAL EXPENDITURES	4,451,416	4,654,031	4,595,507	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(284,251)	(409,323)	(281,182)	
	Funds Required	Occupancy	Rate	
2002-2003 ADOPTED PROJECTED SOLID WASTE CHARGES:	4,080,475	20,888	195.35 5.80% Increase	(1)
2001-02 Solid Waste CHARGES:	3,879,265	20,985	184.62	
(1) Fully Burdened Rate	4,361,657	20,888	208.81 13.10%	

**COSTA MESA SANITARY DISTRICT
RATE CALCULATION
LIQUID WASTE COLLECTION
FISCAL YEAR COMPARISON**

	ADOPTED BUDGET FY 01/02	9 MOS ACTUAL FY 01/02	ADOPTED BUDGET FY 02/03
REVENUES:			
Liquid Charge	1,502,745	1,029,030	1,577,882
Interest Earnings	205,000	189,229	250,000
Taxes	0	0	0
Other Revenue	32,550	12,625	29,700
TOTAL REVENUES	1,740,295	1,230,883	1,857,582
EXPENDITURES:			
Operating Costs - Sanitation Dept. City Budget	857,603	388,587	899,983
Contract Code Enforcement	8,000	0	9,375
Repair & Maintenance	30,000	36,017	39,796
District Engineer - Retainer	14,400	0	0
District Engineer - Engineering Services	120,000	88,201	137,760
Increase for Facility Acquisition	0	0	0
Capital Improvement Projects	0	0	0
Direct Costs Subtotal	1,030,003	512,805	1,086,914
District Management	20,000	12,246	30,750
Board Members Meetings	17,500	13,005	34,425
Insurance	18,841	18,695	30,750
Dues-Memberships	7,875	7,594	16,150
Miscellaneous expense-Community Promotion	2,750	14,639	20,775
Professional Svcs-Attnty	25,000	11,117	38,435
Professional Svcs	10,000	5,191	15,375
Auditing Services	2,300	1,500	3,540
Travel & Meetings	5,500	6,266	11,700
Public Education	4,750	294	11,700
Election Expenses (Legal Notices)	0	0	15,000
Strategic Plan	2,500	270	5,360
Transcription Services	4,400	2,044	6,765
Payroll Related Expenses	0	1,456	2,805
Other Operating Exp	0	0	0
Non-Operating Exp - Other(Contributions)	1,000	767	1,025
Indirect Costs Subtotal	122,416	95,084	244,555
TOTAL EXPENDITURES	1,152,419	607,889	1,331,469
EXCESS(DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATONS	587,876	622,993	526,113

2002-2003 ADOPTED PROJECTED SEWER CHARGES:		RATE	ASSMT UNIT
Single Family		25.38	Dwelling
Multi/Mobile Homes		19.54	Dwelling
Commercial		14.76	/1,000 sq. ft.
Industrial		43.48	/1,000 sq. ft.
Other		13.08	/1,000 sq. ft.
*Projected 5% Increase			
2001-02 SEWER CHARGES:			
Single Family		24.17	Dwelling
Multi/Mobile Homes		18.61	Dwelling
Commercial		14.06	/1,000 sq. ft.
Industrial		41.41	/1,000 sq. ft.
Other		12.46	/1,000 sq. ft.

COSTA MESA SANITARY DISTRICT

Rate Calculation for CR Transfer, Inc.
Fiscal Year 2002-2003

2001-02 Year Base Rate	\$37.00		2002-2003	2001-2002	Increase(Decrease) %	
2001-02 Diversion %	50.00%	Base Rate	38.06	37.00	1.06	2.87%
2002-03 Diversion %	50.00%	Landfill Rate	11.00	11.00	0.00	0.00
2001-02 Landfill Fee(per Ton)	\$22.00					
2002-03 Landfill Fee(per Ton)	\$22.00	Transfer Rate	49.06	48.00	1.06	2.21%
CPI as of May, 2001	177.5					
CPI as of May, 2002	182.6					

- May 2002 / May 2001 = 2.87%

CPI (182.6 - 177.5) / 177.5 = 2.87%

2001-02	\$37.00			
CPI	2.87%			
	1.06	2002-2003	Landfill Fee @ \$22.00 x 50.00% = 11.00	
		2001-2002	Landfill Fee @ \$22.00 x 50.00% = 11.00	
Per Ton Increase	1.06			

Contractual Requirements

Fiscal Year	Required	Base Compensation per ton of waste
Beginning	Diversion	delivered to CRT (excluding landfill fees)

JULY 01			CPI		
			Not to exceed 3%		\$18.92
1995	25.00%	\$18.92 + 3% (18.92)=	(0.03000	x 18.92) +	18.92 = 19.49
1996	30.00%	Previous Base + CPI	(0.01547	x 19.49) +	19.49 = 19.79
1997	30.00%	Previous Base + CPI	(0.01270	x 19.79) +	19.79 = 20.04
1998	37.50%	Previous Base + CPI + \$6.92 per ton	(0.01442	x 20.04) +	20.04 = 27.31
1999	50.00%	Previous Base + CPI + \$6.92 per ton	(0.02402	x 27.31) +	27.31 = 34.89
2000	50.00%	Previous Base + CPI	(0.02948	x 34.89) +	34.89 = 35.92
2001	50.00%	Previous Base + CPI	(0.03000	x 35.92) +	35.92 = 37.00
2002	50.00%	Previous Base + Renegotiated CPI	(0.0287	x 37.00) +	37.00 = 38.06

COSTA MESA SANITARY DISTRICT

Rate Calculation for CR Transfer, Inc.
Fiscal Year 2002-2003

2001-2002 FISCAL YEAR TONNAGE

	<u>City of Costa Mesa</u>	<u>Santa Ana Heights</u>	<u>Total Tonage</u>
July	2,978.51	198.70	3,177.21
August	2,950.64	225.95	3,176.59
September	2,592.69	127.47	2,720.16
October	2,859.03	176.04	3,035.07
November	2,906.64	183.94	3,090.58
December	2,694.50	186.68	2,881.18
January	3,018.81	232.19	3,251.00
February	2,436.03	180.94	2,616.97
March	2,765.89	180.87	2,946.76
April	3,011.33	234.09	3,245.42
May	3,098.32	237.69	3,336.01
June, 2001*	2,931.48	190.12	3,121.60
	TOTAL		<u><u>36,598.55</u></u>
	Total x Base Rate = 36,598.55x38.06=		1,392,941
	Total x Landfill Fee = 36,598.55x11.00=		402,584
Total Tonnage	36,598.55	Total	<u><u>\$ 1,795,525</u></u>
Avg. Per Month	3,049.88	Total Budget =	<u><u>\$ 1,773,997</u></u>
		Budget Variance Fav/(Unfav)	<u><u>\$ (21,528)</u></u>

COSTA MESA DISPOSAL Rate Calculation

Trashrate

CONSUMER PRICE INDEX(LOS ANGELES/RIVERSIDE, ORANGE AREA) INCREASE

Index as of May, 2001	177.5
Index as of May, 2002	182.6
Occupancy as of June, 2002 (occupancy total per Tom)	21,034
Percentage increase	$(182.6-177.5)/177.5 = 2.87\%^*$
* Maximum increase 3%	

Basic Rate Calculation :

Last Year's Basic Rate (Sec. IV)= 8.2181 per occupancy

New Basic Rate=8.2181 x 2.87%	0.2359
	<u>+8.2181</u>
Effective July 1, 2002, the rate shall be:	<u>8.4540</u>

8.4540X21,034X12=	2,133,857
Large Item Pickup Landfill Charges +	<u>7,000</u>
	<u>\$ 2,140,857</u>

Budget Amount	<u>\$ 2,128,703</u>
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Budget Variance Fav/(Unfav)	<u>\$ (12,154)</u>
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**COSTA MESA SANITARY DISTRICT
TRASH RATE BREAKDOWN
Fiscal Year 2002-2003**

\$ 193.64/YEAR

\$ 16.14/MONTH

104.02	Hauler	8.67
65.51	Recycler	5.46
19.54	Landfill	1.63
4.57	Administrative	0.38

Formulas:

Hauler- Divide the new Trash Hauler Contract rate by total occupancy=Year amount
Divide the year total 12=Month amount

Recycler- two ways to get this total

- A. Divide the base rate from the CR Transfer rate by total occupancy.
- B. Divide the total budget(CR Transfer) by the total occupancy. Divide the transfer rate into the base rate and multiply that % by the outcome of the first action. The other half of the % multiply by the outcome of the first -----action. This will provide the answer to the Recycler and the Landfill.

Landfill-CR Transfer and take the outcome from multiplying the landfill fee by 11(landfill fee X 50%= and this total divide by the total occupancy.

Administrative= is what's leftover.

APPROPRIATION DETAIL



**COSTA MESA SANITARY DISTRICT
SOLID FUND - ADOPTED
2002-2003 FISCAL YEAR**

ACCOUNT	FUND	ORG	PROGRAM	%
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Taxes

410100	594	80000	20210	100%
410110	594	80000	20210	100%
410120	594	80000	20210	100%
410130	594	80000	20210	100%
410135	594	80000	20210	100%

Interest

425100	594	80000	20210	100%
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Intergovernmental

430150	594	80000	20210	50%
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State Government

430299	594	80000	20210	100%
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Charges for Services

435999	594	80000	20210	100%
440200	594	80000	20210	100%
440300	594	80000	20210	100%

Contributions

450100	594	80000	20210	100%
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Reimbursements

455230	594	80000	20210	50%
430285	594	80000	20210	100%
455999	594	80000	20210	100%

Non Operating Revenue

465300	594	80000	20210	100%
465600	594	80000	20210	100%

REVENUES

Secured Taxes	90,000
Unsecured Taxes	6,800
Supplemental Taxes	3,500
Homeowners Taxes	950
Delinquent Tax-Penalties	36,900

TOTAL

138,150

Investments Earnings

82,000

TOTAL

82,000

FEMA Disaster Reimbursement

TOTAL

0

Other State Grants

TOTAL

0

Other Charges for Services

200

Special Assessments

1,000

Solid Waste Charges

4,080,475

TOTAL

4,081,675

Contributions

5,000

TOTAL

5,000

OC Bankruptcy reimbursement

Reimbursement Of Mandated Costs

5,000

Other Reimbursements

2,000

TOTAL

7,000

Annexation Fees

500

Non Operating -Other

TOTAL

500

TOTAL REVENUES

4,314,325

4,314,325

2002-2003
ADOPTED
BUDGET

**COSTA MESA SANITARY DISTRICT
SOLID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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EXPENSES

Payroll Related Expenses

505201	594	80000	20210	25%
505301	594	80000	20210	25%
505801	594	80000	20210	25%

Medicare
Retirement
Unemployment
TOTAL

215
715
15

945

Professional Development

505510	594	80000	20210	25%
505511	594	80000	20210	25%
505512	594	80000	20210	25%
505513	594	80000	20210	25%
505514	594	80000	20210	25%
505520	594	80000	20210	34%

Travel
Meals
Lodging
Registration
Parking/Tips
Dues - Professional organizations
TOTAL

3,900

8,250

12,150

Stationery & Office

510104	594	80000	20210	17%
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Photocopy supplies
TOTAL

250

250

Multi-Media Promotions & Subscriptions

510201	594	80000	20210	50%
510202	594	80000	20210	25%
510204	594	80000	20210	0%
510206	594	80000	20210	25%
510207	594	80000	20210	50%

Subscriptions
Preprinted material
Blueprint
Promotional items
Printing/Word Processing
TOTAL

500
575

1,050

2,125

Postage

520101	594	80000	20210	25%
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US Postage service
TOTAL

125

125

Legal Notices

520201	594	80000	20210	25%
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Election Expense
TOTAL

5,000

5,000

Advertising & Public Information

520301	594	80000	20210	25%
520303	594	80000	20210	25%

Public Information / Education
Community Promotion
TOTAL

2,700
1,200

3,900

Board Members Fee

520802	594	80000	20210	25%
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Board Members Fees (meeting attendance)
TOTAL

11,475

11,475

Professional Services Employment

530100	594	80000	20210	25%
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Professional Svc-Bonus
TOTAL

5,125

5,125

**COSTA MESA SANITARY DISTRICT
SOLID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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EXPENSES (CONTINUED)

General Consulting

530200 NEW	594	80000	20210	100%
530201	594	80000	20210	25%

Consulting
Strategic Planning
TOTAL

1,290

1,290

Legal

530301	594	80000	20210	25%
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Attorney
TOTAL

12,815

12,815

Engineering & Architectural

530504	594	80000	20210	25%
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Auditing Services
TOTAL

1,180

1,180

Contract Services

530901	594	80000	20210	100%
530903	594	80000	20210	100%
530904	594	80000	20210	100%
530905	594	80000	20210	100%
530906	594	80000	20210	25%
530909	594	80000	20210	25%

City Contract-Solid
Trash Hauler
Contract Code Enforcement
Recycling Contract
District Manager
Transcription services
TOTAL

218,150
2,128,703
35,265
1,773,997
10,250
2,255

4,168,620

General Liability & Other Costs

540101	594	80000	20210	25%
540902	594	80000	20210	50%

General Liability- Insurance
Operating Costs
TOTAL

10,250

10,250

Special Programs

555101	594	80000	20210	100%
555102	594	80000	20210	100%
555103	594	80000	20210	100%
555104	594	80000	20210	100%
555105	594	80000	20210	100%

Sharps Program
Household Hazardous Waste Program
Telephone Book Recycling Program
Large Item Pick-up
Beverage Container Purchase Program
TOTAL

13,000
21,525
18,000
9,500

62,025

Non-Operating -Other

599400	594	80000	20210	50%
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Non-operating Expense - Other
TOTAL

2,050

2,050

Capital Outlay

590801 New	594	80000	20210	100%
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Capital Outlay
TOTAL

15,000

15,000

Debt Service

535100	594	80000	20210	100%
535200	594	80000	20210	100%

Debt Service- Principal Payment
Debt Service- Interest Payment
TOTAL

179,376
101,806

281,182

TOTAL - EXPENSES

4,595,507

4,595,507

**COSTA MESA SANITARY DISTRICT
LIQUID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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Taxes

410100	595	80000	20220	100%
410110	595	80000	20220	100%
410120	595	80000	20220	100%
410130	595	80000	20220	100%
410135	595	80000	20220	100%

Permits

415180	595	80000	20220	100%
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Fines/Forfeitures

420190	595	80000	20220	100%
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Interest

425100	595	80000	20220	100%
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Intergovernmental

430150	595	80000	20220	50%
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Charges for Services

435190	595	80000	20220	100%
435195	595	80000	20220	100%
435630	595	80000	20220	100%
435999	595	80000	20220	100%
440200	595	80000	20220	100%
440400	595	80000	20220	100%

Reimbursements

455230	595	80000	20220	50%
455999	595	80000	20220	100%

Non Operating Revenue

465300	595	80000	20220	100%
465600	595	80000	20220	100%

REVENUES

Secured Taxes
Unsecured Taxes
Supplemental Taxes
Homeowners Taxes
Delinquent Tax-Penalties
TOTAL

Sewer Permit
TOTAL

Excessive Effluent Discharge
TOTAL

Investments Earnings
TOTAL

FEMA Disaster Reimbursement
TOTAL

Permits & Inspection Fees **12,000**
O.C.S.D.. Fees-CMSD Share **11,000**
Sale of Maps and Publication **100**
Other Charges for Services **100**
Special Assessments **1,000**
Liquid Waste Charges **1,577,882**
TOTAL

OC Bankruptcy reimbursement
Other Reimbursements
TOTAL

Annexation Fees
Non Operating-Other
TOTAL

TOTAL REVENUES

	0
3,500	3,500
2,000	2,000
250,000	250,000
	0
12,000	
11,000	
100	
100	
1,000	
1,577,882	1,602,082
	0
	0
1,857,582	1,857,582

**COSTA MESA SANITARY DISTRICT
LIQUID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
---------	------	-----	---------	---

EXPENSES

Payroll Related Expenses

505201	595	80000	20220	75%
505301	595	80000	20220	75%
505801	595	80000	20220	75%

Medicare	635
Retirement	2,135
Unemployment	35
TOTAL	2,805

Professional Development

505510	595	80000	20220	75%
505511	595	80000	20220	75%
505512	595	80000	20220	75%
505513	595	80000	20220	75%
505514	595	80000	20220	75%
505520	595	80000	20220	66%

Travel	11,700
Meals	
Lodging	
Registration	
Parking/Tips	
Dues - Professional organizations	16,150
TOTAL	27,850

Stationery & Office

510104	595	80000	20220	83%
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Photocopy supplies	1,250
TOTAL	1,250

Multi-Media Promotions & Subscriptions

510201	595	80000	20220	50%
510202	595	80000	20220	75%
510204	595	80000	20220	100%
510206	595	80000	20220	75%
510207	595	80000	20220	50%

Subscriptions	13,325
Preprinted material	1,725
Blueprint	950
Promotional items	3,150
Printing/Word Processing	
TOTAL	19,150

Postage

520101	595	80000	20220	75%
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US Postage service	375
TOTAL	375

Legal Notices

520201	595	80000	20220	75%
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Election Expense	15,000
TOTAL	15,000

Advertising & Public Information

520301	595	80000	20220	75%
520303	595	80000	20220	75%

Public Information / Education	8,100
Community Promotion	3,600
TOTAL	11,700

Board Members Fee

520802	595	80000	20220	75%
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Board Members Fees (meeting attendance)	34,425
TOTAL	34,425

**COSTA MESA SANITARY DISTRICT
LIQUID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
---------	------	-----	---------	---

EXPENSES (CONTINUED)

Repairs and Maintenance

525304	595	80000	20220	100%
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Sewer Repair & Maintenance
TOTAL

39,796

39,796

Professional Services Employment

530100	595	80000	20220	75%
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Professional Svc-Bonus
TOTAL

15,375

15,375

General Consulting

530200	595	80000	20220	100%
530201	595	80000	20220	75%

Consulting
Strategic Planning
TOTAL

1,500

3,860

5,360

Legal

530301	595	80000	20220	50%
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Attorney
TOTAL

38,435

38,435

Engineering & Architectural

530401	595	80000	20220	100%
530401	595	80000	20220	100%

District Engineer- Retainer
Engineering Services
TOTAL

137,760

137,760

Financial & Information Service

530504	595	8000	20220	75%
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Auditing Services
TOTAL

3,540

3,540

Contract Services

530902	595	80000	20220	100%
530904	595	80000	20220	100%
530906	595	80000	20220	75%
530909	595	80000	20220	75%

City Contract-Liquid
Contract Code Enforcement
District Manager
Transcription services
TOTAL

899,983

9,375

30,750

6,765

946,873

General Liability & Other Costs

540101	595	80000	20220	75%
540902	595	80000	20220	50%

General Liability- Insurance
Operating Costs
TOTAL

30,750

30,750

Non-Operating -Other

599400	595	80000	20220	50%
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Non-operating Expense - Other
TOTAL

1,025

1,025

Total - Expenses

1,331,469

1,331,469

**COSTA MESA SANITARY DISTRICT
LIQUID FUND - ADOPTED
2002-2003 FISCAL YEAR**

2002-2003
ADOPTED
BUDGET

ACCOUNT	FUND	ORG	PROGRAM	%
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Account Number: 500000

Project Number

990001	595	80000	20220	100%
990020	595	80000	20220	100%
990023	595	80000	20220	100%
990027	595	80000	20220	100%
990030	595	80000	20220	100%
990033	595	80000	20220	100%
NEW	595	80000	20220	100%

CAPITAL PROJECTS

149 Sinking Fd/Future Sewer Replc	125,000
156 Earthquake/Major Emerg. Sewer	0
159 Televising Swr Lines	18,000
164 Misc. Swr. Work/Manhole Adj.	90,000
166 Manhole and Pump Station Coating	200,000
168 Tustin Pump Station Remodel	540,000
170 Emergency Response Plan	26,600
Total Current Year Capital Projects	<u>999,600</u>

**TOTAL EXPENSES AND CURRENT
YEAR CAPITAL PROJECTS**

2,331,069

GLOSSARY



GLOSSARY OF BUDGET TERMS

ACCRUAL BASIS OF ACCOUNTING: Revenues are recognized when both measurable and available; expenditures are recorded when services have been substantially performed or goods have been received and the liabilities incurred.

ADOPTED BUDGET: The official budget as approved by the District Board at the start of each fiscal year.

AD VALOREM TAX: (which means “according to its value.”) A state or local government agency tax based on the value of real property as determined by the county tax assessor.

AMENDED BUDGET: The official budget as adopted and as amended by the District Board through the course of a fiscal year.

APPROPRIATIONS: A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

ASSESSED VALUATION: A taxing agency's property tax base stated in dollars based on real estate and/or other taxable business property for the purposes of taxation, sometimes expressed as a percent of the full market value of the taxable property within the agency's tax rate area.

BUDGET: A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

BUDGET MESSAGE: A written discussion of the proposed budget presented by the District Manager or District Treasurer to the Board.

CAPITAL BUDGET: A budget which focuses on capital projects to implement the Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM: A plan for capital improvements to be implemented each year over a fixed period of years to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL IMPROVEMENT PROJECT: The budget unit to group all activities and costs necessary to implement a specific capital improvement and / or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

CONTRACTED SERVICES: Services rendered in support of the District's operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

DEBT SERVICE FUND: A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

GLOSSARY OF BUDGET TERMS

DEBT SERVICE RESERVE FUND: A bank trustee account established by the trust indenture and used as a backup security for an issuer's bonds. It usually amounts to one year's debt service, and can be drawn on by the Trustee in the event of an impairment of the Trust indenture.

DIVISION: An organizational subgroup of a department.

ENCUMBRANCE: The commitment of appropriated funds to purchase goods which have not yet been received, or services that have yet to be rendered.

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays.

EXPENSES: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of its operations, and adopts a budget for the coming year. The Costa Mesa Sanitary District's fiscal year is from July 1 to June 30.

FIXED ASSETS: Equipment costing \$750 or more, with a useful life longer than one year, including tax, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

FUND: A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE: A term used to express the equity (assets minus liabilities) of governmental fund and fiduciary fund types. However, for budgeting purposes, a working capital definition of current assets minus current liabilities is used for the computation.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards of / and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

INTERGOVERNMENTAL REVENUE: Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s).

MODIFIED ACCRUAL BASIS: The accrual basis of accounting where revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

GLOSSARY OF BUDGET TERMS

NET BUDGET: The legally adopted budget less all interfund transactions. Those amounts in the budget representing transfers and interfund reimbursements are subtracted from the legally adopted budget amount.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

OBJECT CODE: The classification of expenditures in terms of what is bought and paid for grouped into major object codes by subject.

OPERATING BUDGET: A budget which focuses on everyday operating activities and programs.

OPERATING TRANSFERS: Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, such as transfers from a General Fund to a Special Revenue or Capital Projects Fund.

PERSONNEL EXPENSES: Compensation paid to or on behalf of District employees for salaries and wages, overtime and benefits.

PROFESSIONAL SERVICES: Includes the cost of outside professional and specialized services purchased by the District. This includes consultants for special studies, outside attorneys, architectural and engineering assistance, law enforcement, employment, medical and health inspections and recreation.

PROGRAM BUDGET: A budget organized by programs. A program used in this application is a grouping of related activities, projects and services which are similar in purpose. The expenditure focus of a program budget is related to the nature of work and services performed.

PROPERTY TAX: A tax levied on real estate and personal property.

PROPERTY TRANSFER TAX: Is assessed on all real property transfers at the current rate of \$.55 per \$500 in assessed value, and is collected at the time of the transfer with the County receiving half the collected amount.

PROPOSED BUDGET: The budget as formulated and proposed by the Director of Finance. It is submitted to the District Board for review and approval.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of Proprietary Fund types. For budgeting purposes, the working capital definition of fund balance is used.

REVENUE: Moneys that the District receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

GLOSSARY OF BUDGET TERMS

SELF-INSURANCE: A term often used to describe the retention of liabilities, arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. The District has purchased outside insurance for excess coverage in these areas.

SPECIAL REVENUE FUNDS: Used to account for revenue derived from specific taxes or other earmarked revenue sources (other than expendable trusts or for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

SUPPLEMENTAL ROLL PROPERTY TAXES: Assessed on property that changes ownership during the year and is based on the difference between the new and old assessed values.

TAX BASE: The total taxable property (resource base) of the District that is legally available for taxation.

TAXES: Compulsory charges levied by a government agency for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, user charges.

USER CHARGES: User charges and fees are payments made by customers for publicly provided services that benefit specific individuals and exhibit "public good" characteristics. An examples of such fees are recreational fees, building permit fees, etc.

UTILITIES: Includes cost of all utility services that are purchased by the District such as gas, water, electric.